

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 COME-00 SSO-00 SP-02 AID-05 EB-07

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

EUR-12 EA-07 FRB-03 CIAE-00 INR-07 NSAE-00 XMB-02

AGR-05 INRE-00 NSCE-00 /088 W

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O 122145Z SEP 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 2702

CONFIDENTIAL BUENOS AIRES 6169

PASS TREASURY COMMERCE

E.O. 11652: GDS

TAGS: EFIN, AR

SUBJECT: AMBASSADOR'S MEETING WITH MINISTER CAFIERO

REF: (A) BUENOS AIRES 6107, (B) BUENOS AIRES 6118, (C) STATE

215465

SUMMARY: THIS MORNING I MET FOR ONE HOUR WITH ECONOMY  
MINISTER CAFIERO REVIEWING HIS RECENT VISIT TO US. CAFIERO  
SAID HE WAS GENERALLY PLEASED WITH RESULTS, BUT DISAPPOINTED  
USG NOT ABLE PROVIDE ANY MONEY IN ARGENTINA'S TIME OF NEED.  
HE THOUGHT ARGENTINA NOW OVER IMMEDIATE FINANCIAL HUMP, AND  
WAS OPTIMISTIC FOR 1976 BALANCE OF PAYMENTS PROSPECTS.  
END SUMMARY.

1. I OPENED CONVERSATION CONGRATULATING MINISTER ON APPARENT  
SUCCESS OF HIS RECENT TRIP, AND REQUESTING ANY IMPRESSIONS  
OR COMMENTS HE MIGHT WISH TO PROVIDE. CAFIERO SAID HE HAD  
BEEN RECEIVED CORDIALLY IN WASHINGTON. HE APPRECIATED  
MEETINGS WITH SECRETARY SIMON, HE SAID, BUT WAS FRANKLY  
DISAPPOINTED USG NOT ABLE PROVIDE ANY FINANCIAL ASSISTANCE.  
HE SAID IDB VERY HELPFUL, BUT WORLD BANK QUITE TOUGH.  
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2. CAFIERO CONTINUED RESPONSE OF COMMERCIAL BANKS QUITE FAVORABLE. HE OUTLINED CREDITS OBTAINED WHICH IN GENERAL AGREE WITH REF (C). HE SAID MANUFACTURERS HANOVER TRUST-ADEBA LOAN FOR \$70 MILLION EXPECTED NEXT WEEK, AND FIRST TRANCHE OF CHEMICAL BANK/BANK OF AMERICA LOAN EXPECTED BY END SEPTEMBER. HE ADDED CHEMICAL BANK VERY COOPERATIVE, WHILE FIRST NATIONAL CITY MOST DIFFICULT OF ALL BANKS.

OTHER NEGOTIATIONS WITH EUROPE, JAPAN AND SOVIET UNION ARE CONTINUING, HE SAID, WHICH COULD PRODUCE MORE MONEY IN NEAR FUTURE.

3. IN RESPONSE TO QUESTION, CAFIERO SAID GOA HAS INITIATED FRUITFUL CONTACT WITH IMF. GOA SEEKING \$135 MILLION FROM EXPORT COMPENSATION FUND. HE SAID GOA LIKELY REQUEST HALF IN MID OCTOBER, AND OTHER HALF MID NOVEMBER. HE CONTINUED GOA ALSO SEEKING \$85 MILLION FROM IMF PETROLEUM FACILITY. GOA DELEGATION INCLUDING REYNALDO BAJRAJ, DIRECTOR, OFFICE OF DOMESTIC ECONOMIC POLICY, MINISTRY OF ECONOMY; DR. XAVIER VILLANUEVA, ADVISOR TO MINISTER; AND DR. DANTE SIMONE, DIRECTOR, OFFICE OF FISCAL ANALYSIS, MINISTRY OF ECONOMY, WOULD PROBABLY TRAVEL TO WASHINGTON AROUND SEPTEMBER 22 TO HANDLE NEGOTIATIONS. CAFIERO SAID GUIDO DI TELLA, SECRETARY FOR COORDINATION AND PLANNING, NEEDED IN BUENOS AIRES TO HANDLE IMPORTANT DOMESTIC MATTERS AND THUS NOT LIKELY HEAD DELEGATION. WE URGED MINISTER TO KEEP UP CONTACTS AND COORDINATION WITH US TREASURY DEPT. AS FUND DISCUSSIONS PROGRESS.

4. CAFIERO SAID HE THOUGHT IMMEDIATE FINANCIAL PROBLEMS RESOLVED WITH NEW CREDITS, AND HE OPTIMISTIC RE 1976 BALANCE OF PAYMENTS PROSPECTS. HE SAID GOA SEEKS EXPORTS OF \$4.2 BILLION AND IMPORTS OF ABOUT \$3.6 BILLION WHICH WOULD LEAVE \$600 MILLION SURPLUS. THIS AMOUNT, PLUS OTHER POSSIBLE CREDITS, HE SAID, SHOULD BE AMPLE TO HANDLE EXTERNAL OBLIGATIONS.

5. CLOSING, CAFIERO AGAIN STRESSED IMPORTANCE HE GIVES TO CONTINUED USG SUPPORT. HE RAISED ISSUE OF BILATERAL TRADE DEFICIT, SAYING HE HOPED ARGENTINE MEAT EXPORTS TO US  
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COULD BE INCREASED. HE ALSO STRESSED IMPORTANCE OF EXIM BANK AND COMPTROLLER OF CURRENCY CREDIT RATINGS FOR ARGENTINA. IN THIS CONNECTION, HE THOUGHT SOME IMPROVEMENT IN RATINGS, OR AT VERY LEAST NO REDUCTION, NOW JUSTIFIED IN VIEW COMMERCIAL BANK SUPPORT AND FACT GOA HAS INITIATED CONTACTS WITH IMF.

6. COMMENT: WHILE FRANK AND BUSINESSLIKE, CAFIERO WAS IN

GOOD HUMOR AND PLEASED TO SEE US AGAIN. HOWEVER, HE  
PULLED NO PUNCHES LETTING US KNOW HE DISAPPOINTED USG NOT  
ABLE TO BE MORE FORTHCOMING.

7. ACTION REQUESTED: DURING MEETING, CAFIERO MADE NO  
MENTION OF ROLE WHICH TETTAMANTI AND HERRERAS PLAYED IN  
WASHINGTON. CAN DEPARTMENT GIVE US ANY INFORMATION ON  
THEIR ACTIVITIES?

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, DIPLOMATIC DISCUSSIONS, MINISTERIAL VISITS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 SEP 1975  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**To:** STATE  
**Type:** TE  
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